

Date: 15 December 2025

Those Charged with Governance
Cheshire Police
Cheshire Constabulary Headquarters
Clemonds Hey
Oakmere Road
Winsford
CW7 2UA

Dear Sirs

Cheshire Police – Auditor’s Annual Report 2024/25

We are pleased to attach our Auditor’s Annual Report for the financial year 2024/25. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of Cheshire Police and should not be shared with anyone beyond them without our prior approval.

We would like to take this opportunity to thank the management of Cheshire Police for the co-operation and assistance afforded to us during the course of the audit.

Yours faithfully

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for the Police and Crime Commissioner for Cheshire (the PCC) and the Chief Constable of Cheshire (the Chief Constable) for the year ended 31 March 2025.

The PCC and the Chief Constable are responsible for:

- keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control;
- the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them; and
- putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in their use of resources and to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

The scope of our work is set in accordance with the National Audit Office's (NAO) Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the PCC and the Chief Constable at the year end and of their expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We are also required to report to the PCC and the Chief Constable by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the PCC and/or the Chief Constable under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

In addition, we are also responsible for reviewing the PCC's and the Chief Constable's arrangements in place to secure economy, efficiency and effectiveness in their use of resources. The Code requires us to report on the PCC's and the Chief Constable's arrangements under three specified reporting criteria:

- Financial sustainability – how the PCC and the Chief Constable plan and manage their resources to ensure they can continue to deliver their services;
- Governance – how the PCC and the Chief Constable ensure they make informed decisions and properly manage their risks; and
- Improving economy, efficiency and effectiveness – how the PCC and the Chief Constable use information about their costs and performance to improve the way they manage and deliver their services.

We carried out our work in accordance with our Audit Plan which we issued to the PCC and Chief Constable in July 2025.

2. Executive summary

Results from the audit of the financial statements

We completed our audit of the financial statements and issued our unmodified audit opinions on 15 December 2025. See section 3 for more details.

We also completed component auditor procedures, in line with the NAO group auditor instructions. We had no matters to report from this work.




Results on our work on other matters

We completed our review of other matters in line with our issuing of the audit opinions on 15 December 2025. There were a few areas that required updating and amending in the financial statements, which have been completed by management, although none of these were significant. See section 3 for more details.




Results from our work on VFM arrangements

Under the Code, we are required to consider whether the PCC and the Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ended 31 March 2025.

Our conclusions are summarised below. See sections 4-8 for more details.

Financial sustainability	 Amber	We did not identify any significant weaknesses in Cheshire Police's arrangements for financial sustainability. We have identified one recommendation, where we consider arrangements in place could be improved. See section 8 for further detail.
Governance	 Green	We did not identify any significant weaknesses in Cheshire Police's governance arrangements.
Improving economy, efficiency and effectiveness	 Green	We did not identify any significant weaknesses in Cheshire Police's arrangements for improving economy, efficiency and effectiveness

Key:

	Green - No significant weaknesses in arrangements identified and no recommendations made
	Amber - No significant weaknesses in arrangements identified but recommendations for improvement made
	Red - Significant weaknesses in arrangements identified and recommendations made

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the Code and the International Standards on Auditing (ISAs) (UK). As stated in section 1 of this report, we are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the PCC and the Chief Constable at the year end and of their expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We gave unqualified opinions on the PCC's and the Chief Constable's financial statements on 15 December 2025.

Key issues arising from the accounts audit

Whilst our work on the audit of the financial statements is substantially complete, there are still some points which require conclusion, as detailed within our Audit Completion Report.

The financial statements produced by management were of a good quality, and only a limited number of recommendations were raised. We have received a good level of support throughout the audit.

Other matters

As stated in section 1 of this report, we are also required to report to the PCC and the Chief Constable, by exception, the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the PCC and/or the Chief Constable under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We concluded that there were no matters to bring to the PCC's and the Chief Constable's attention in respect of these matters.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We cannot formally conclude the audit and issue an audit certificate for the PCC and Chief Constable for the year ended 31 March 2025 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code until we have confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

More detailed findings can be found in our Audit Completion Report which was reported to the Joint Audit Advisory Committee (JAAC) on 26 November 2025.

4. Value for Money

Under the Code, we are required to consider whether the PCC and the Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ended 31 March 2025.

The Code requires us to report our commentary on the PCC's and the Chief Constable's arrangements under three specified reporting criteria:

- Financial sustainability – how the PCC and the Chief Constable plan and manage their resources to ensure they can continue to deliver their services;
- Governance – how the PCC and the Chief Constable ensure they make informed decisions and properly manage their risks; and
- Improving economy, efficiency and effectiveness – how the PCC and the Chief Constable use information about their costs and performance to improve the way they manage and deliver their services.

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criterion for the auditor to assess those arrangements.

Our initial risk assessment did not identify any potential risks of significant weakness.

We asked management to complete an evidenced self-assessment of the PCC's and the Chief Constable's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there were any significant weaknesses in the arrangements for securing economy, efficiency and effectiveness in their use of resources.

Our commentary on the PCC's and the Chief Constable's arrangements in each of these three areas is set out in sections 5, 6 and 7 of this report. Our recommendations for improvement are included in section 8.

5. Financial sustainability

We considered how the PCC and the Chief Constable plan and manage their resources to ensure they can continue to deliver their services, including how they:

- ensure that they identify all the significant financial pressures that are relevant to their short and medium-term plans and build these into them;
- plan to bridge any funding gaps and identify achievable savings;
- plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- ensure that their financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identify and manage risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying their plans.

Overview and 2024/25 outturn

For 2024/25, the PCC and Chief Constable reported an underspend against the revenue outturn of £1m, against a net budget of £249.8m. This is after a transfer of £1.1m to the Carry Forward reserve, which is an earmarked reserve into which management can approve the transfer of underspends for use in the following year. The main reason for this performance is additional income (recorded against Corporate Costs) within the year, mainly from a better than anticipated return on investments. The capital budget for the year was £12.3m, with £9m ultimately being spent within the year.

As at 31 March 2025, the PCC (who holds reserves on behalf of the Cheshire Police group) held a good level of reserves, with the balance of the General Fund (including earmarked reserves) being £19.5m, which is 7.5% of gross expenditure.

Financial planning and monitoring

As in previous years, in setting the budget and the Medium-Term Financial Strategy (MTFS) the PCC carried out stakeholder engagement. This included a survey (launched in January 2024) in which the public were asked for their views on community safety and how much residents should contribute to the police budget. Results of the survey (which was responded to by 4,346 people) are available on the PCC's website. The MTFS for the period 2024-2029 was presented to the JAAC on 29 February 2024. This includes a variety of detail, including various financial assumptions, as well as challenges and opportunities. The Chief Constable uses Priority-Based Budgeting (PBB) as a method of planning for, and assigning, effort and money, in which budget holders consider the relative benefits of future expenditure to ensure money is directed as efficiently as possible.

When assessing the appropriate level of reserves to maintain, the PCC considers the potential risks that may affect the delivery of the budget. The projected reserve levels are outlined in the MTFS. While the MTFS anticipates a drawdown of reserves over its duration (the total is expected to reduce to £12.1 million by 31 March 2029), this still represents a sustainable level of reserves.

The Treasury Management Strategy is approved annually by the PCC. We have viewed the 2024/25 Strategy which, amongst other items, includes an Annual Investment Strategy and a variety of prudential indicators. In addition, there is also a cashflow monitoring sheet that is updated daily and shows forecasts for both the current and future years. There is a healthy cash position as at 31 March 2025 of £19.0m. Although this is forecast to decrease to £6.8m by 31 March 2026, this still represents a reasonable level.

The capital budget is also developed by consideration on the impact on delivery of organisational objectives. However, there is also a consideration of the level of return from the investments being made. The largest part of the capital programme is linked to ensuring the estate is fit for purpose and the next most significant element is linked to digital and other transformation.

The impact of the capital strategy is included in the MTFS. This provides a detailed breakdown of the capital projects that the PCC is planning on investing in, as well as detail on how this will be funded. The borrowing requirements and impact on the

future revenue budgets are considered as part of agreeing the capital budget. This feeds into the Treasury Management Strategy that is approved by the Joint Management Board. The Treasury Management Strategy details the estimated borrowing requirements of future years. The projection (based on the 2025/26 Strategy) is an estimated borrowing requirement of £21.8m over the five years included. We have raised a recommendation on this as the area needs to be kept under close monitoring, especially given the forecast decrease in reserves.

The PCC and Chief Constable continuously monitor and update their financial plans throughout the year. The 2024/25 Revenue and Capital Budgets outline the financial strategy for the year, aligning with their strategic goals and the priorities set out in the Police and Crime Plan. The Governance section of our report provides details regarding the procedures for monitoring of the budgets. Overall, we are satisfied that the arrangements for financial planning and monitoring are appropriate. Looking ahead, the Chief Constable has developed the 2024/25 budget model, incorporating the influence of broader economic factors, including inflation data from the Office for National Statistics.

Achieving efficiency savings

The aforementioned public budget consultation feeds into the budget report, which is monitored by the Senior Command Team (SCT). In addition, the SCT also receive Budget Briefing Notes, which highlights progress against the main savings. The underspend on the 2024/25 revenue budget is a good indication that efficiency savings are being achieved in the year. The MTFS Reserve and the Carry Forward reserve are good examples of amounts being put aside to invest in transformational change programmes that will in turn deliver further efficiency savings.

A new Efficiency and Savings Board was created in April 2024 to ensure the highest level of independent monitoring of delivering on savings targets. As per the Board's Terms of Reference, it meets bi-monthly and prepares a quarterly report on its activities and outcomes to the SCT for consideration. A tracker is maintained which keeps in view emerging pressures, as well as potential savings.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the PCC's and Chief Constable's financial sustainability arrangements. We have one recommendation for an area of improvement – please see Section 8 for more information.

6. Governance

We considered how the PCC and the Chief Constable ensure that they make informed decisions and properly manage their risks, including how they:

- monitor and assess risk and how they gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approach and carry out their annual budget setting process;
- ensure effective processes and systems are in place to ensure budgetary control: to communicate relevant, accurate and timely management information (including non-financial information where appropriate); support their statutory financial reporting requirements; and ensure corrective action is taken where needed, including in relation to significant partnerships;
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and, for example, where they procure or commission services.

Risk management

The PCC and Chief Constable have implemented robust risk management systems, with risks monitored on a regular basis. There is a Risk Management Policy in place (last updated in April 2025) which, amongst other things, outlines the responsibilities, and states that the Risk Management function is overseen by the Planning & Performance Unit.

The Strategic Risk Register is reviewed at least quarterly at both the SCT meetings and the Joint Management Board. It is also presented to the JAAC, where meeting minutes confirm active discussion of relevant issues. The JAAC's terms of reference include responsibilities such as "To monitor the effective development and operation of risk management in the OPCC and force" and "To monitor progress in addressing risk-related issues reported to the committee" - both of which are evidenced in the minutes.

The Strategic Risk Register is well-structured, incorporating key components such as risk scoring, mitigation strategies, current status analysis, and an overview of actions. Each risk is assigned a risk owner, an action owner, and a review date, and is aligned with strategic objectives. We raised a recommendation in 2023/24 that 'a further helpful addition to the risk register would be a risk movement indicator for further clarity and to highlight risks escalating or de-escalating clearly'. This has been actioned, as the register now includes a section showing direction of travel from the previous iterations of the register.

Internal control

There remain appropriate arrangements surrounding internal control. The Internal Audit function is provided by MIAA as in the previous year. Oversight of Internal Audit is within the responsibilities of the JAAC, whose Terms of Reference include detail on their core functions with regards to Internal Audit, such as reviewing the risk-based internal audit plan, considering summaries of specific internal audit reports, and considering the Head of Internal Audit's annual report.

The 2024/25 plan was agreed at the JAAC in February 2024, and details the coverage for 2024/25, as well as a three-year strategic plan. MIAA representation is seen within minutes of each JAAC providing updates and progress reports. The Internal Audit Annual Report and Head of Internal Audit Opinion for 2024/25 were presented to the JAAC in July 2025. The overall opinion for the 2024/25 year was one of 'Substantial Assurance' (which was the same in the previous year). 19 recommendations were made (compared to 22 in the previous year), of which none were critical or high-risk. All prior year recommendations have been addressed, and there are no overdue recommendations.

The Anti-Fraud Procedure remains current (having been reviewed in July 2023 and due for update in July 2026). Whistleblowing provisions are incorporated within the Professional Standards Reporting Procedure, and there is a

Whistleblowing Policy in place (last reviewed in June 2024) which provides guidance to police officers and staff on what qualifying disclosures are and who to report them to.

Budget setting and budgetary control

The annual budget setting process aligns with the principles of PBB. Budget monitoring and development are ongoing activities, with regular reviews and updates clearly demonstrated. As part of the 2025/26 budget setting process, a presentation was made to budget holders, which included detail on the requirements to include no growth, and identification of reductions of 5%-10% in service levels. The briefing also clearly sets out the process, as summarised in the image below



There is also a Budget Briefing paper which outlines the assumptions used.

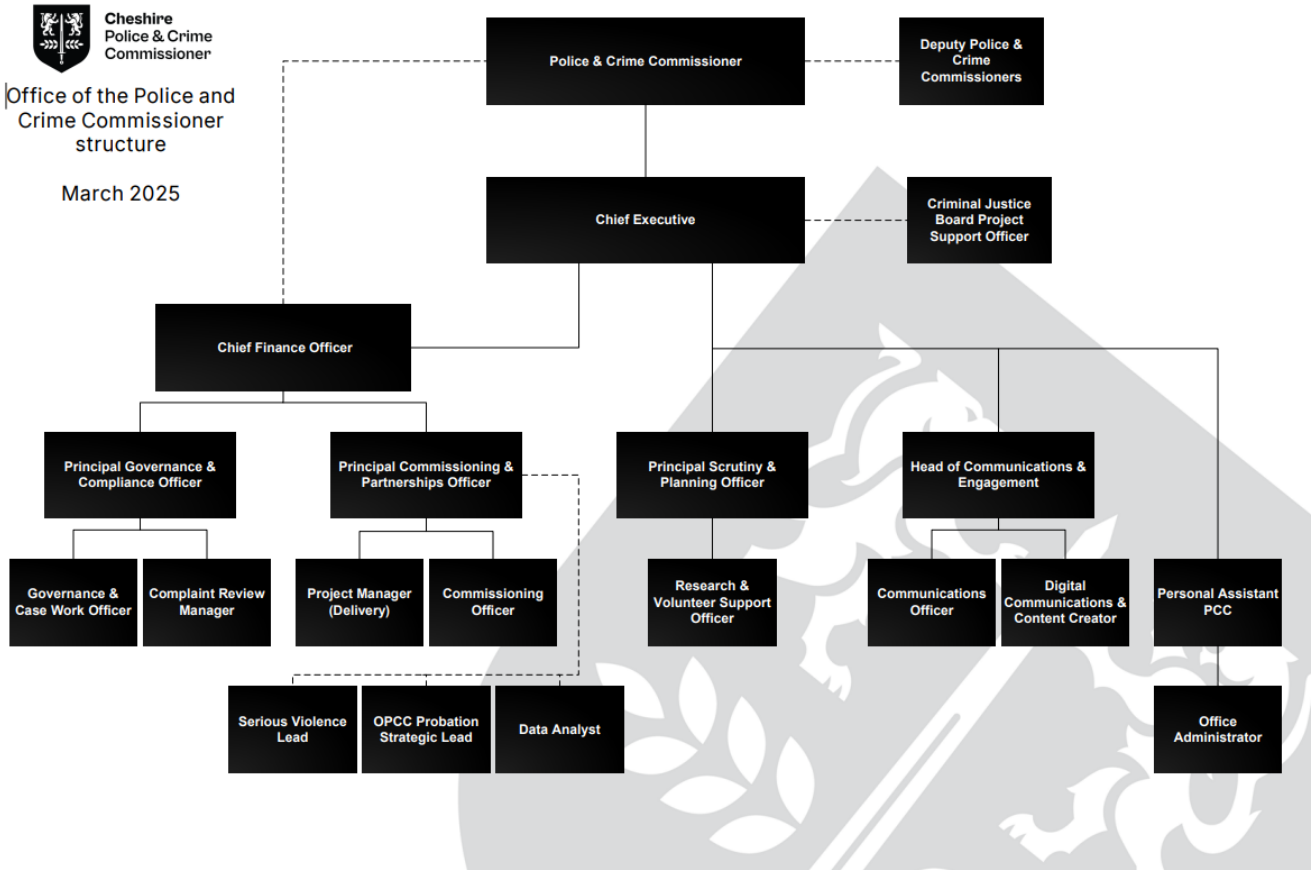
The Chief Constable utilises a real-time budget monitoring system known as APEX, which enables budget managers to access and review their budgets, forecasts, and commitments at any time. Monthly forecasts are prepared by budget managers and reviewed by the SCT with quarterly scrutiny by the JMB, leading to appropriate follow-up actions. Budget variances are identified promptly, and managers are held accountable, as evidenced in SCT and JMB meeting minutes and communications. The finance team possesses a broad skill set and sufficient capacity to effectively fulfil its responsibilities.

Capital expenditure is tracked using a detailed spreadsheet that informs the capital section of quarterly financial reports submitted to the JMB. A mid-year review is also conducted. This system ensures close monitoring of capital costs, helping to prevent unexpected overruns.

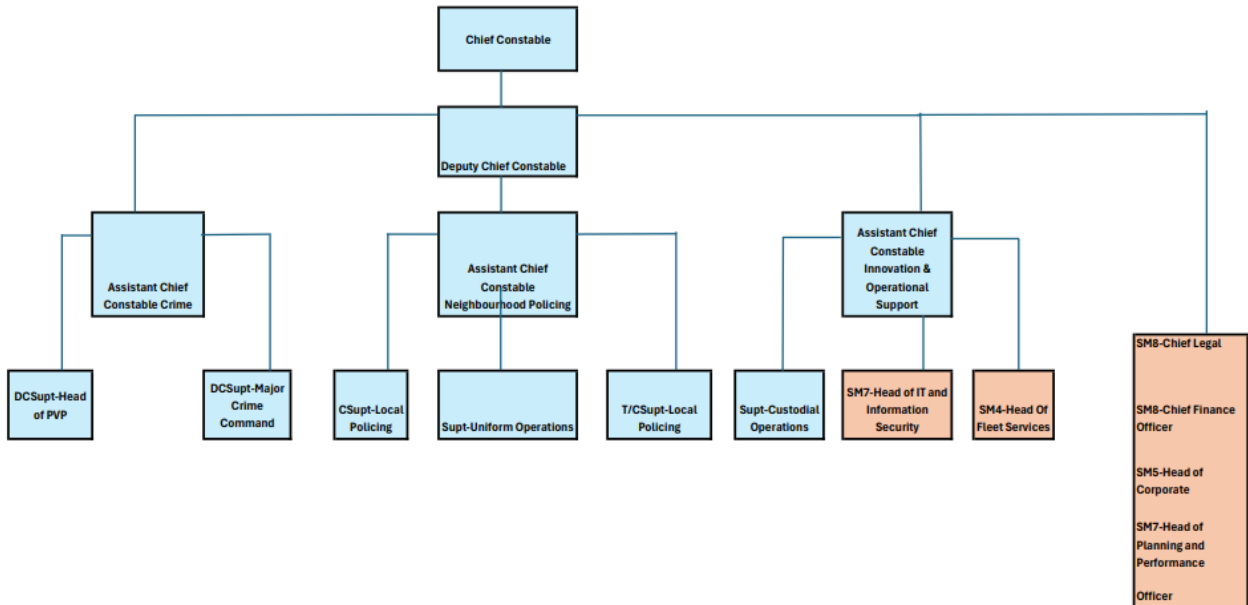
Decision making

There is a scheme of Corporate Governance available on the PCC's website, which sets out the framework for the PCC and Chief Constable. This includes a chapter on the Scheme of Consent, which outlines the key roles, and who has responsibility for the various functions, including regarding the setting of the budget.

There is a clear structure in place as shown by the organisational charts below. The PCC and Chief Constable each have their own Chief Finance Officer, which aligns with common practice across police bodies and ensures that financial responsibilities are carried out effectively and independently. The organisational charts below clearly show the reporting lines between them and the PCC/Chief Constable.



Cheshire Constabulary Command Team Structure March 2025



Our review indicates that decision makers are provided with relevant and timely information, enabling effective scrutiny and challenge. The Annual Governance Statement (AGS), issued on behalf of the PCC and the Chief Constable, outlines how responsibilities are fulfilled in maintaining a robust system of internal control. This system supports the achievement of strategic policies, aims, and objectives, and the AGS explains its purpose, operation, and outcomes. The most recent AGS's for 2024/25 are publicly available on the PCC and Chief Constable's websites and outlines seven principles of good governance. Each principle is accompanied by a detailed narrative of progress made during the year.

The Chief Constable's headquarters was developed under a Private Finance Initiative (PFI), a scheme involving private sector contracts to finance, design, build, and maintain public infrastructure. Cheshire Police's PFI contract is scheduled to end in 2033/34. We have observed proactive measures, including the establishment of a working group supported by a Home Office PFI expert, to plan and manage the exit strategy.

Ensuring appropriate standards

The internal audit reports provided by MIAA offer assurance over financial processes, with high levels of assurance consistently reported. Notably, the audits confirm that "there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently."

The Code of Corporate Governance and the OPCC Code of Conduct have been reviewed, demonstrating that expectations around staff behaviour are clearly communicated. Distinct codes of conduct are maintained for staff and for the PCC and Deputy PCC.

We have also reviewed the Gifts, Gratuities and Hospitality Policy and associated logs, which confirm that gifts are being appropriately managed in line with policy requirements. Additionally, the register of interests is current and publicly accessible via the website.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the PCC's and Chief Constable's governance arrangements.

7. Improving economy, efficiency and effectiveness

We considered how the PCC and the Chief Constable use information about their costs and performance to improve the way they manage and deliver their services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the PCC and the Chief Constable evaluate the services they provide to assess performance and identify areas for improvement;
- how the PCC and the Chief Constable ensure they deliver their roles within significant partnerships and engage with stakeholders they have identified, in order to assess whether they are meeting their objectives; and
- where the PCC and the Chief Constable commission or procure services, how they assess whether they are realising the expected benefits.

Assessing performance and evaluating service delivery

The Chief Constable's performance and service delivery are assessed through the Scrutiny Board, which serves as a key mechanism for the PCC to hold the Chief Constable accountable against the objectives set out in the Police and Crime Plan and broader operational delivery.

The Terms of Reference (July 2022) for the Scrutiny Board include:

- Enable the Commissioner to hold the Chief Constable to account.
- Consider performance and service delivery against the Police and Crime Plan.
- Report strategic issues to the Commissioner and the Chief Constable.
- Following scrutiny enable the Commissioner and the Chief Constable as appropriate, to provide strategic direction to those present.
- To consider wider performance delivery matters that relate to the efficiency and effectiveness of the Constabulary

In addition to these, there is a Scrutiny and Oversight handbook which aims to 'outline and explain the processes that are completed by the Police and Crime Commissioner to hold the Chief Constable of Cheshire Constabulary to account.'

Performance is assessed through several mechanisms. Key amongst this is the Scrutiny Board, whose responsibilities (as per the Terms of Reference) include considering performance and service delivery against the Police and Crime Plan, reporting strategic issues to the Commissioner and the Chief Constable, following scrutiny enable the Commissioner and the Chief Constable as appropriate, and considering wider performance delivery matters that relate to the efficiency and effectiveness of the Constabulary. We have reviewed the reports discussed at the two public Scrutiny Board meetings held within 2024/25, and the only matters that were discussed were those relating to HMICFRS reports. Whilst there would normally be more discussed in the public meetings, we are aware that the new Police and Crime Plan was not yet in place (as it was under consultation) and that the HMICFRS reports cover a wide range of areas, including performance.

The last PEEL report from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) covering the period 2023–2025 was published in February 2025. Of the eight areas of policing reviewed, Cheshire Constabulary scored 'Outstanding' in two, 'Good' in four and 'Adequate' in two. The organisation is proactive in responding to HMICFRS recommendations, with a HMICFRS Strategic Oversight Meeting taking place regularly and with progress against Areas for Improvement, as well as national recommendations, being tracked.

The PCC and Chief Constable also monitor and report on HMICFRS Value for Money (VfM) Profiles, which are reviewed quarterly at JAAC meetings. Service-level reviews are conducted through PBB, with supporting VfM reports presented to JAAC.

Partnership working

Collaborative working arrangements are governed at PCC and Constabulary level by the Joint Oversight Committees. There is also a Collaboration Board, which oversees the collaborations, and minutes for which include a log showing all the collaborations currently in progress.

Additionally, Cheshire PCC engages with the Association of Police and Crime Commissioners (APCC) which provides a platform for collaborations and knowledge sharing at a national level, as well as the North West Joint Oversight Committee for Collaboration (NWJOC) at a regional level with participating parties (PCCs and Chief Constables) from Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside and North Wales. Terms of reference have been seen along with meeting agendas. This committee was formed to secure efficient and effective governance of collaboration arrangements between the participating parties.

Commissioning and procuring services

Procurement is governed by the Standing Orders for Contracts outlined in the Code of Corporate Governance Financial Regulations. We have also reviewed the Procurement Strategy 2022–2025, which incorporates both the Ethical Procurement Policy and the Supplier Code of Ethics. Tendering is conducted via the Bluelight Procurement database, and there is no evidence to suggest non-compliance with established policies.

The Constabulary employs dedicated Procurement and Contracts Managers who work in collaboration with Procurement and Contract Officers. Each contract managed through Procurement is assigned a responsible individual to oversee performance and address any issues. For larger contracts, regular performance meetings are held, and we have seen evidence of active monitoring, with actions and resolutions clearly documented.

The PFI contract is expiring in 2034. A PFI Expiry Project Board has been set up, which shows active discussion about the project at an early stage.

Local Government Reorganisation

The body continues to monitor developments in local governance, particularly the proposed Cheshire and Warrington Devolution Deal outlined in the December 2024 English Devolution White Paper and the subsequent English Devolution and Community Empowerment Bill (introduced July 2025). This deal, part of the Government's 2024/25 devolution programme, seeks to establish a Mayoral Combined Authority (MCA) covering Cheshire East, Cheshire West and Chester, and Warrington, with a mayoral election expected in 2027. While no Local Government Reorganisation (LGR) or boundary changes are planned, the deal could affect governance arrangements for public safety functions, including police services. If MCA boundaries and Police Authority areas were to align, responsibility for certain Police Authority functions could transfer to the elected Mayor. However, Cheshire Police's service area also includes Halton, which falls within the Liverpool City Region Combined Authority, meaning the boundaries do not fully match and introducing potential governance uncertainty. From an external audit perspective, it is our view that the body continues to monitor these developments and assess any implications for governance, accountability, and strategic planning.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the PCC's and Chief Constable's arrangements for improving economy, efficiency and effectiveness.

8. Recommendations

KEY:




Red - Recommendations that refer to issues that have resulted in a significant weakness in the PCC's and/or the Chief Constable's arrangements.



Amber - Recommendations that should improve the arrangements in place at the PCC and/or the Chief Constable but are not as a result of identifying a significant weakness.

Current Year Issues

Financial Sustainability – Borrowing levels	
Amber – 	
<p>Over the five years of the Treasury Management Strategy, there is an estimated borrowing requirement of £21.8m. In addition, cash levels and reserves are forecast to decrease.</p>	<p><u>Recommendation</u></p> <p>Given this, and the forecasted decreases in the cash position and reserves, the body should keep the position under close scrutiny to ensure that the servicing of the debt is affordable.</p> <p><u>Management comment</u></p> <p>The Treasury Management position and Capital Programme are reviewed regularly and reported on each quarter. This includes reviewing future levels and affordability of debt and we will continue to closely monitor this position. Further reporting includes regular updates to the CFOs of both OPCC and Constabulary, the Constabulary's Senior Command Team, and the Joint Audit & Accounts Committee to ensure the long-term affordability of debt servicing within the MTFS.</p>

Prior Year Issues – Resolved

Governance – Risk Register	
<p><u>Previous Matter</u></p> <p>We noted in Section 6 that a further helpful addition to the risk register would be a risk movement indicator for further clarity and to highlight risks escalating or de-escalating clearly. Whilst this is included in the associated narrative, a key to the direction of travel would clearly indicate on the register itself to aid review.</p>	<p><u>Update</u></p> <p>From our review of the Risk Register in 2024/25, we can see that additional information has been added to show the risks' direction of travel.</p>



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